

Special Council on Tax Reform and Fairness for Georgians
 Georgia Cattlemen's Association
 Josh White, Executive Vice President
 Public Meeting Comments
 September 2, 2010 Macon, Georgia

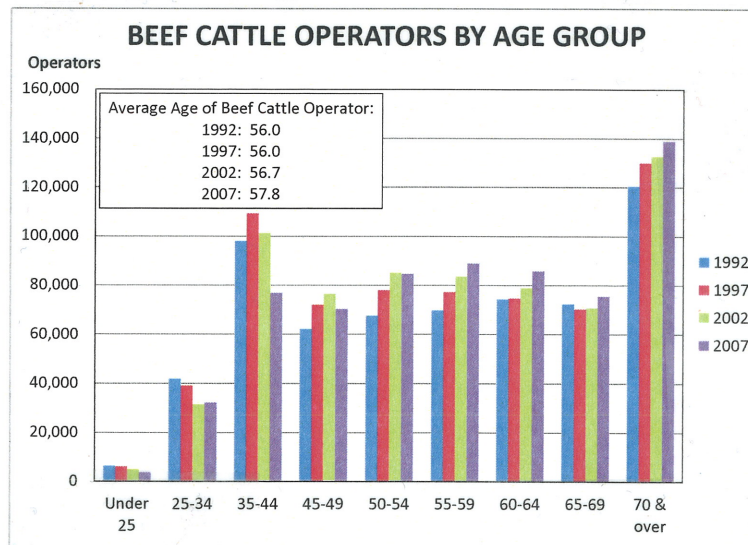
Chairman Frazier & Council members, thank you for your time and service to Georgia. I know this is a tough job and I appreciate your willingness to serve the state and tackle the matters before you.

As you have heard from other presenters across the state agriculture is Georgia's #1 industry accounting for over \$50 billion in economic activity in the state each year.

The beef cattle business is an important component of the state's agriculture complex with 1.2 million head of cattle & calves our commodity ranks #6 in Ag Income Value in Georgia. Recent USDA statistics indicate there are close to 15,000 cattle producers in the state and we count nearly 5,000 of those as members of the Georgia Cattlemen's Association.

Because many of our members have already addressed the council at other meetings around the state I want to narrow my comments to address a looming crisis in agriculture in our country. According to the United Nations Food and Agriculture Organization, our growing world population combined with the rising standard of living in many developing nations will increase the food needs of the world by more than double the current demand by 2050.

U. S. Census data shows that in 1978 the average age of the U. S. Farmer was 51 years of age. Today the average age of the U S farmer and rancher is nearly 59 yrs. The chart below (credit: August 5, 2010, CME Daily Livestock report) more completely tells the story comparing the trends in various age brackets.



Another component of this crisis is the fact that farmland, especially in the southeast, is being lost at the rate of thousands of acres per year. This trend has been caused largely by “urban sprawl” and has slowed somewhat due to the economic slowdown. At my own family’s farm located between Atlanta and Macon, we have lost over 10% of our pasture land (20+ acres) to road widening/improvements as well as public school construction over the past 10 years. Again, U. S. Census data from 1978 shows Georgia farm land acreage at 13,416,833 acres compared to just 10,150,539 in the 2007 census.

We as a state and a country face a looming crisis with an increasing U S and world population relying on us to feed them off of fewer acres and with less farmers.

WHAT’s the CURE for the DILEMMA - PROFITABILITY

The only way to attract young people back to agriculture is for agriculture to return to greater profitability. Start-up capital required in farming is one of the largest of any industry or enterprise. Enticing individuals to take great risk requires greater reward (profits) in return. Your recommendations on sales tax exemptions for farm production inputs has the potential to greatly affect the profits of our farmers. Farm land rental value is closely tied to the property taxes paid on that land. Any manipulation of the CUVA program resulting in an increase in farm land taxes will have a negative effect on farmers. Especially new or beginning farmers that rely primarily on leased land.

Georgia is blessed with good soils and a climate that is ideal for growing grass and cattle. Leading Agricultural economists predict profitability for beef cattle operations over the next five to ten years. We have the opportunity over the next decade to greatly grow our farm output and income which is good for our state economy. Placing more tax burden on the agriculture sector will only hurt Georgia’s economy and our future. Please take these concerns into consideration in any tax policy recommendations this group makes.

Thank you all again for your time and for allowing me to present these comments.